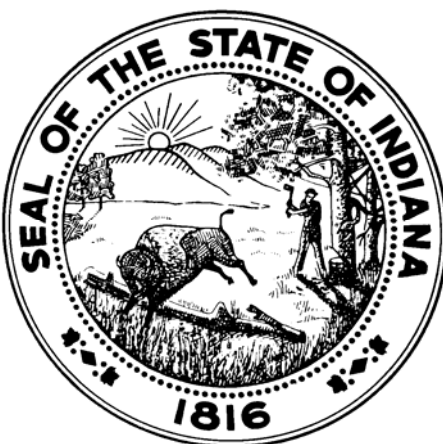


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

REVIEW REPORT  
OF  
SOUTH BEND WORK RELEASE CENTER  
STATE OF INDIANA  
July 1, 2004 to June 30, 2007



**FILED**  
12/12/2007



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#### AGENCY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Commissioner, Indiana Department of Correction	Evelyn Ridley-Turner J. David Donaghue	02-01-01 to 01-09-05 01-10-05 to 01-11-09
Superintendent	Gregg Cress	07-01-04 to 06-30-08
Regional Finance Director	Kelley Kitchen	01-22-01 to 06-30-08



# STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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## INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE SOUTH BEND WORK RELEASE CENTER

We have reviewed the receipts, disbursements, and assets of the South Bend Work Release Center for the period of July 1, 2004 to June 30, 2007. The South Bend Work Release Center's management is responsible for the receipts, disbursements, and assets.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the receipts, disbursements, and assets. Accordingly, we do not express such an opinion.

Financial transactions of this office are included in the scope of our audits of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports.

Based on our review, nothing came to our attention that caused us to believe that the receipts, disbursements, and assets of the South Bend Work Release Center are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State Agencies, and applicable laws and regulations except as stated in the review comments.

STATE BOARD OF ACCOUNTS

October 24, 2007

## SOUTH BEND WORK RELEASE CENTER REVIEW COMMENTS

### DISBURSEMENT DOCUMENTATION - INMATE TRUST FUND

No invoices or any other documentation to support the disbursements made from the inmate trust fund for the audit period were available. This was due to the fact it was kept in the inmate "treatment" file, which is always destroyed after 90 days, instead of with the accounting records which are kept for audit purposes.

Due to the lack of supporting information, the validity and accountability for all Inmate Trust Fund disbursements for the review period could not be established.

Supporting documentation such as receipts, cancelled checks, invoices, bills, contracts, etc., must be made available for audit to provide supporting information for the validity and accountability of monies received or disbursed. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 1)

### INMATE TRUST ACCOUNTING RECORDS

The South Bend Work Release Center's inmate trust control fund ledger balance was not reconciled with the inmate trust bank account balance on June 30, 2007. The Region 2 Finance Director of the Department of Correction determined in September 2007 that errors were made over several months in the spring of 2007 in calculating the amount of subsistence (room and board charged to inmates who are earning a paycheck) due to the Department of Correction central office in Indianapolis. The Inmate Trust Fund balance on June 30, 2007, of \$201,209.98 is overstated by \$980.81. The correct balance, per the Region 2 Finance Director should be \$200,229.17. The inmate trust control ledger will be corrected as of September 30, 2007, by adjusting the subsistence payment made in October to the Department of Correction central office.

Each agency is responsible for maintaining an effective and accurate accounting system for subsidiary and supplementary records. At all times, the agency's manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank or Auditor's balance should agree. If reconciled bank or Auditor's balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 1)

SOUTH BEND WORK RELEASE CENTER  
EXIT CONFERENCE

The contents of this report were discussed on October 24, 2007 with Greg Cress, Superintendent; and Kelley Kitchen, Regional Finance Director. The official response has been made a part of this report and may be found on page 6.



Mitchell E. Daniels, Jr.  
Governor

J. David Donahue  
Commissioner

**SOUTH BEND COMMUNITY RE-ENTRY FACILITY**  
2421 South Michigan Street  
South Bend, IN 46614

Greg Cress  
Superintendent

October 29, 2007

Mr. Wiese,

During the recent State Board of Accounts Audit at the South Bend Community Re-Entry Facility, the following areas were marked for corrective actions. Please see below for the corrective actions put into place following the audit.

- 1) Requests for disbursements from the inmate trust account were not kept with the financial records. To correct this, the trust fund accountant will attach the original signed request for remittance to a copy of the check issued in the financial files. A copy of the request will be returned to the counseling staff for retention in the inmate file.
- 2) The trust fund ledger did not match the master file in the Offender Trust Account in the OTS system. Subsequently to the audit, the ledger figures were re-calculated with attached tape to document the totals. The bank, ledger, and checkbook balances are in agreement. With the October bank statement, the corrections will be made to the Offender Trust Account in the OTS system.

Please let me know if you have any questions.

Sincerely,

Kelley D. Kitchen, Regional Finance Director

